

## **PRAIRIE GROVE SCHOOL DISTRICT 46 FINAL OFFER 5/9/2012 – PACKAGE PROPOSAL**

### *THE FOLLOWING IS A SUMMARY OF KEY PROPOSAL HIGHLIGHTS*

This offer includes tentative agreements that have been reached by the parties during 26 bargaining sessions over the past seventeen months. An impasse was declared on May 3, 2012. This offer was presented to the PGTA on May 9. This has been a very long process and the District believes that this offer provides a brighter future for our students and our community, a competitive new contract for our teachers and economic predictability for Prairie Grove School District 46.

#### **Salary**

- **Proposal**
  - This contract will be in effect through the 2014/15 school year.
  - Teacher salaries will be frozen on their 2010-2011 step for the 2011-2012 school year. Any teachers who qualified for lane advancement in 2011-2012 will receive that advancement and pay based on the 2010-2011 salary schedule.
  - The traditional salary schedule with steps and lanes will be eliminated. All teachers will receive the same percentage increase each year of the contract based on a formula tied to CPI. The CPI calculation for each year is determined as follows: The two known numbers for the CPI that are used in the calculation for property taxes for the school year in which those property taxes are budgeted, are added together and divided by 2. This number then becomes the sole CPI number used in the salary increase calculations for that year. This number is then multiplied by .25 to determine the net CPI number utilized for salary increases that year not to exceed 3%.

The CPI number for the 2012-2013 school year is 2.25% with a final rate of salary increase of .5625%.
  - Teachers are eligible for additional salary advancement for the following masters level coursework attainment:

BA+12, BA+24, BA+36, MA, MA+12, MA+24, MA+36, MA+48, and MA+60

A teacher shall be entitled to a \$1,000 increase for each level of advancement with an additional \$500 for the award of a Master's Degree.

<ul style="list-style-type: none"> <li>• <b>Rationale</b></li> </ul>	<ul style="list-style-type: none"> <li>○ The financial landscape has changed very dramatically with the economic downturn. The state has already cut education reimbursements and is considering much larger cuts in order to balance its budget. The Board has also passed a resolution to correct the over collection of property taxes and expects to cut approximately \$900,000 out of levies for the next three years. In this economic climate the Board cannot agree to increases as in the past.</li> <li>○ Since the largest part of district revenue comes from property taxes and these taxes are limited by CPI, the Board is tying salary increases to 25% of CPI. This amount is warranted given that state revenues are getting cut and the Board is cutting the property tax levy as well.</li> <li>○ During negotiations it was agreed that the <i>Above and Beyond</i> program would be eliminated and the amount of \$20,000 would be divided and added to the base salary for each teacher in 2011/12.</li> <li>○ This proposal also eliminates the traditional salary schedule and simply gives the same percentage increase to all teachers. This system is more transparent and easy to understand both for the community and for the teachers.</li> <li>○ This salary proposal is fair given that other neighboring districts have frozen or cut salaries in recent contracts.</li> </ul>						
<ul style="list-style-type: none"> <li>• <b>Total Cost</b></li> </ul>	<p>The following figures represent the <b>true cost</b> of the increased portion of the proposed contract, due to compounding expenditures:</p> <ul style="list-style-type: none"> <li>• 2012-2013--\$42,647</li> <li>• 2013-2014--\$70,101</li> <li>• 2014-2015--\$95,232</li> <li>• Total cost for 2012-2015=\$207,980</li> </ul> <p>Since the CPI is not known for the last two years of this contract the historical average of 2.5% was used to determine the increases.</p> <p>These calculations include \$20,000 divided equally among all teachers to account for the elimination of the <i>Above and Beyond</i> program.</p>						
<p>*</p>							
<p><b><u>Insurance</u></b></p>							
<ul style="list-style-type: none"> <li>• <b>Proposal</b></li> </ul>	<ul style="list-style-type: none"> <li>○ Starting with the 2012-2013 insurance renewal, the Board will pay an annual amount not to exceed \$8,300 for those teachers who choose single health insurance. For those teachers who choose any tier of health insurance that includes dependent coverage, the Board will pay for annual premiums according to the following schedule:</li> </ul> <table data-bbox="609 1732 1031 1843"> <tr> <td>Employee plus child(ren)</td><td>\$11,000</td></tr> <tr> <td>Employee plus spouse</td><td>\$11,500</td></tr> <tr> <td>Family</td><td>\$14,500</td></tr> </table> <p>These amounts may be used toward premium costs for only health, dental, and vision coverage.</p>	Employee plus child(ren)	\$11,000	Employee plus spouse	\$11,500	Family	\$14,500
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Employee plus spouse	\$11,500						
Family	\$14,500						

	<p>However, the teacher's choice of health insurance tier will determine the annual amount the Board will contribute. The Board will pay up to each of these amounts in annual premium based on the tier of coverage chosen.</p> <ul style="list-style-type: none"> <li>○ If the Insurance Committee decides to make plan design changes that result in savings on insurance premiums then the Board and PGTA will split the savings 60/40. The PGTA savings will be deposited into a restricted account to be used the following year toward Association members' insurance costs as determined by the Insurance Committee.</li> <li>○ The Board desires to offer access to affordable health insurance to all employees of the district. To this end the BOE Insurance Committee will meet as needed to annually assess and review the insurance plan and to handle the annual insurance renewal process.</li> <li>○ Committee members will make the final recommendation regarding insurance plans and provider/carrier to the Board and the Board has the ultimate authority in plan coverage. The committee will ensure that the maximum allowable medical plan options are available for employee choice (i.e. PPO, HMO, H.S.A., HRA).</li> </ul> <p>The Board will make a good faith effort to keep the Association fully apprised of the insurance renewal process on an annual basis.</p> <ul style="list-style-type: none"> <li>○ This proposal completely eliminates section 12.4 of the contract.</li> <li>○ The Insurance Committee will be comprised of 4 PGTA members and 4 Board / Administrative members. The committee will be made up only of current employees and Board members. Outside consultants may be invited only by mutual consent.</li> <li>○ In the event that legislation mandates changes in health insurance provisions (i.e. Health Care Reform) during this contract, the Board and PGTA shall meet to bargain the impact of any new legal requirements. Subsequently, the Board will instruct the committee to implement all agreed upon changes to existing insurance provisions.</li> </ul>
• <b>Rationale</b>	<ul style="list-style-type: none"> <li>○ The Insurance Committee needs to have equal representation of Board members and Association members in order to represent all interests. The Committee needs to be able to effectively recommend changes that will result in savings without going back for a membership vote.</li> <li>○ The current insurance plan is extravagant by any standard. Cost containment needs to be part of the overall plan.</li> <li>○ Because of the uncertainty regarding what may happen with mandated health care, it is in the best interests of both parties to reopen if necessary.</li> <li>○ It is critical that the Board provide a broad range of medical plan options.</li> </ul>
• <b>Total Costs</b>	<p>Given the fact that this proposal divides the Board insurance contribution into four tiers as opposed to one single annual amount, it is impossible to predict the future costs of this proposal. If all Association members kept their same tier of coverage into 2012-2013, then the increased cost would be an additional \$14,476.</p>

Since some employees will likely switch to higher cost tiers in order to cover dependents, the Board will not increase the tier contribution amounts for any year of this contract.

The Board also anticipates that the Insurance Committee will find some lower cost insurance plans during the term of this contract that will save money for both the district and the employees.

### Extra Duty

- **Proposal**
  - All extra duty stipends for 2011-2012 will be frozen at the 2010-2011 level.
  - All extra duty stipend increases starting with the 2012-2013 school year will be tied to the same CPI calculation as salaries.
  - All stipends for team leaders will be equalized to the same amount. This amount, which includes TRS, will be \$2,690 beginning in the 2012/13 school year.
  - The stipends for volleyball coaches will be increased to the same level as basketball coaches.
  - Any new extra duty positions will be considered by the Board of Education and added as approved on a year-to-year basis.
  - The Board may eliminate any positions it deems unnecessary on a year-to-year basis.
- **Rationale**
  - The financial landscape has changed very dramatically with the economic downturn. The state has already cut education reimbursements and is considering much larger cuts in order to balance its budget. The Board has also passed a resolution to correct the over collection of property taxes and expects to cut approximately \$900,000 out of levies for the next three years. In this economic climate the Board cannot agree to increases as in the past.
  - Since the largest part of district revenue comes from property taxes and these taxes are limited by CPI, the Board is tying extra duty increases to 25% of CPI. This amount is warranted given that state revenues are getting cut and the Board is cutting the property tax levy as well. Other area districts also tie salary increases to CPI.
  - Extra duty is part of the total salary package and is therefore tied to the same CPI increase as the salary calculation.
  - We believe the team leader position and time commitment is comparable for both Junior High teachers and Elementary teachers.
- **Total Costs**

The following figures represent the true cost of the increased portion of the proposed contract, due to compounding expenditures:

  - 2012-2013: \$4,381.36
  - 2013-2014: \$5,201.16
  - 2014-2015: \$5,951.55
  - Total costs for 2012-2015: \$15,537.07

**Total new, additional dollars added over the life of the contract is: \$237,993.07**